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REVIEW OF PROGRESS MADE IN THE IMPLEMENTATION OF THE NEW DIRECTIONS STRATEGY FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

SUMMARY

The present report is submitted in accordance with decision 10/1 B, adopted by the High-level Committee on the Review of Technical Cooperation among Developing Countries at its tenth session. It provides an analysis of the progress made in the implementation of the new directions strategy for technical cooperation among developing countries during the period 1997-1998.

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I. INTRODUCTION

1. Responding to the challenges occurring in the global economic order, the General Assembly in December 1994 requested the High-level Committee on the Review of Technical Cooperation among Developing Countries to initiate the preparation of a report on new directions for technical cooperation among developing countries, which would re-examine the concept of technical cooperation among developing countries (TCDC) and make recommendations to ensure that it continues to serve as a viable strategy in support of the development efforts of developing countries. The new directions report prepared by the Special Unit for TCDC (TCDC/9/3) and the main recommendations contained therein were endorsed by the Executive Board of the United Nations Development Programme and the United Nations Fund for Population Activities (UNDP/UNFPA Executive Board), by the Economic and Social Council, and by the General Assembly in its resolution 50/119 of 20 December 1995.

II. THE NEW DIRECTIONS STRATEGY

2. The strategy contained in the new directions report presented 20 specific recommendations. Central to the overall strategy is the need for adoption of a more strategic policy and substantive re-orientation for TCDC, focusing on a number of high-priority areas - notably, trade and investment, debt, poverty alleviation, production and employment, the environment, macroeconomic policy coordination and aid management - that are likely to have major development impact on a large number of developing countries.

3. In addition, the report called for sharpening the strategic thrust of a number of other activities carried out by all partners in international development cooperation, especially by the Special Unit for TCDC and other United Nations organizations and agencies. Among these, it drew attention to the need for establishing closer operational linkages between technical and economic cooperation among developing countries (TCDC/ECDC) so as to ensure that these two modalities be pursued in a mutually complementary manner to serve wider economic cooperation schemes among developing countries. The report also emphasized the desirability of identifying "pivotal countries" to serve as catalysts for the promotion of TCDC, both within regions and interregionally, along with the need to promote triangular cooperation arrangements. Other issues raised in the report included the formulation of national TCDC policies, the strengthening of national TCDC focal points, the establishment of partnerships with the private sector and non-governmental organizations, and the identification of innovative funding arrangements for TCDC activities. Finally, the strategy called for the expansion of the TCDC information referral system (TCDC-INRES) into a multidimensional information gateway to carry information not only on institutional capacities in developing countries but also on individual experts, centres of excellence and successful innovative experiences that could be replicated in other developing countries.

4. Since the adoption of the new directions strategy by the General Assembly in 1995, the international environment for development cooperation has undergone further changes, especially the acceleration of globalization and the continued

decline in development financing, including official development assistance. South/South cooperation, including TCDC and ECDC, offers viable opportunities for developing countries in their individual and collective pursuit of sustained economic growth and equitable development and for ensuring their more effective participation in the newly emerging global economic system. This and the significant progress made in the implementation of the Buenos Aires Plan of Action during the reporting period,[1] by the developing countries, the developed countries, the organizations and agencies of the United Nations system, and relevant intergovernmental and non-governmental organizations attest to the continued validity of the new directions for TCDC.

5. To further strengthen this global partnership for TCDC, the High-level Committee, in its decision 10/1 B, urged all the organizations and agencies of the United Nations system, inter alia, to address effectively and to operationalize the recommendations contained in the new directions strategy. In particular, this included: identification of "pivotal countries" for TCDC; promotion of triangular cooperation arrangements; identification and dissemination of best practices in TCDC; expansion of TCDC-INRES; establishment of closer linkages on policy and operational aspects between TCDC and ECDC; and innovative funding arrangements for TCDC. In the same decision, the Administrator of UNDP was requested to present a report to the High-level Committee at its twelfth session in 1999 on progress made in implementing the decision.

6. In preparing the present report, the Special Unit for TCDC has drawn to a large extent on information contained in the questionnaires it sent to developing and developed country member States, intergovernmental organizations and non-governmental organizations and agencies and bureaux within the United Nations system - the same sources used for preparing the report on the implementation of the Buenos Aires Plan of Action (TCDC/11/1). Since that document provides comprehensive coverage of national, global and United Nations system support for TCDC during the review period and since the review of progress in respect of the new directions strategy derives from that context, the present report sets out general trends and progress in the overall implementation of the strategy and assesses their potential.

III. THE IMPLEMENTATION EXPERIENCE

7. Given the need to address the general thrust of the new directions strategy, as well as the more specific issues highlighted in decision 10/1 B of the High-level Committee, the analysis presented in this report is based on the 20 recommendations set out in the new directions report of 1995 (TCDC/9/3), here clustered under seven broad headings:

(a) Strategic reorientation of TCDC activities to support initiatives that are likely to have a major impact on a large number of developing countries;

(b) Support for national policy and the development of capacities for spontaneous TCDC activities;

(c) Advancement of the "pivotal country" approach;

(d) Promotion of triangular cooperation arrangements;

(e) Building new partnerships for TCDC;

(f) Strengthening the integration of the TCDC and ECDC modalities and system coordination;

(g) Promotion of experience-sharing and information-sharing among developing countries.

A. Strategic orientation of TCDC

8. Among its major goals, the new directions strategy attempts to encourage the TCDC actors to move towards sustained, broad-based actions, preferably involving groups of countries that share similar needs, instead of separate ad hoc activities that target single countries.

9. In general, the new directions guidelines were intended to serve as a set of parameters primarily for the United Nations system so as to achieve maximum impact with scarce resources. The areas of intervention suggested here apply less to TCDC activities of a direct bilateral nature, since countries that make such agreements are free to determine activities between themselves. Similarly, IGO and NGO interventions to promote TCDC are typically based on each organization's field of competence, rather than being subject to the criteria of any external agent. However, because the stated goal of TCDC activities is multiple rather than single beneficiaries, this applies widely to activities initiated by bodies of the United Nations system.

10. Evidence gathered for the reporting period shows that considerable overall progress was made in response to this strategic reorientation. In the case of national and bilateral TCDC, more developing countries reported on activities involving multiple participants, including workshops, training programmes and other skills-sharing exchanges. Good examples include active bilateral programmes sponsored, among others, by China, Costa Rica, Indonesia, Pakistan, Peru and Senegal.[1] Moreover, a review of the bilateral projects undertaken reveals that most - though not all - fell within the priority areas suggested in the new directions strategy. As growing numbers of developing countries attain higher levels of technical skills and increased resources, they seem to have expanded their outreach efforts to embrace a larger number of development partners as a matter of policy. In the case of United Nations bodies during the reporting period, the data indicate a shift in the focus of TCDC activities towards the new directions strategy.

11. The activities of the Special Unit for TCDC during the reporting period appear wholly in line with the new directions strategy. Its priority areas determined the Special Unit's intercountry and interregional interventions as well as its support of networks. The activities of the Unit were also chosen for potential impact on a large number of countries, as exemplified by the Conference on Trade Investment and Finance, held at San José, Costa Rica, in 1997; the launching of the Microfin Africa Network for poverty alleviation; the joint Malaysian initiative to train bankers from 10 countries in Africa; support

of the West African Rice Development Association (WARDA) rice-breeding initiative; and extensive assistance to the South Centre and the Group of 77 and China.

B. National TCDC management capacity

12. The new directions strategy recognized governance issues as fundamental to the success or failure of the TCDC modality. National and bilateral TCDC activities during the reporting period clearly indicate that an increasing number of developing countries are emerging as key proponents of the TCDC process, assuming leadership roles in promoting, organizing and funding bilateral and regional TCDC-related projects as part of their annual commitment to trade, investment and international cooperation activities. By playing leadership roles, these countries have further validated the process of TCDC and given the modality wider application, both geographically and substantively.

13. Nevertheless, while the TCDC modality has shown encouraging levels of growth in acceptance and application among beneficiary countries overall, some countries have yet to become active participants in the TCDC process. A number of these have lacked either an effective national focal point or explicit national policies for implementing TCDC programmes. This suggests that these two institutional developments are basic preconditions for meaningful TCDC-related activity.

14. In its continuing efforts to help developing countries improve this situation, the Special Unit organized the National TCDC Focal Points Meeting for the Asia and Pacific Region in 1997 in Singapore to exchange experiences in such areas as national TCDC policies, national TCDC focal point arrangements, and successful and innovative TCDC practices. The meeting was attended by not only national TCDC focal points from almost all the countries of the region but also representatives from Africa and Latin America and the Caribbean. Another important 1997 activity of the Unit that spurred similar exchanges was the meeting of Directors-General of Technical Cooperation in Latin America and the Caribbean. Both events contributed directly and indirectly to the overall management and coordination of TCDC activities by the participating developing countries.

C. The "pivotal country" concept and its practice

15. To help put the concept and practice of "pivotal countries" into operation, the Special Unit for TCDC organized a meeting in Santiago, Chile, in November 1997. Attended by 23 developing countries from Africa, the Arab States, Asia and the Pacific, Europe and Latin America and the Caribbean, the meeting concluded that a growing number of developing countries, by virtue of their capacities and experience, were positioned to play a "lead role" in the promotion and application of TCDC by sharing such capacities and experiences with other developing countries. The meeting also broadly defined "pivotal countries" as those having a rich history of and systematic participation in TCDC activities as providers of know-how to other developing countries; the existence of indigenous capacities and capabilities and a willingness to share

them with other developing countries; an explicit national TCDC policy, well-established national focal point arrangements, and a commitment to utilizing the TCDC modality in the country's development programmes; the existence of national technical cooperation agencies specifically responsible for TCDC, supported by the necessary budgetary resources; and a database on national capacities and experiences. While further efforts to refine these criteria are needed, the Committee may consider them as the basis for identifying pivotal countries for TCDC.

16. The review of national and bilateral TCDC activities[1] reveals that more and more developing countries - notably Brazil, Chile, China, Cuba, Guyana, India, Indonesia, Nigeria, Pakistan, Senegal, Singapore, the Republic of Korea, Thailand, Turkey, Venezuela and Uganda - are already taking a lead role in initiating and sponsoring TCDC activities to benefit large numbers of developing countries. As the number increases, the level of TCDC appears likely to grow, along with support for it, both in terms of its scope and in substance.

D. Triangular cooperation

17. Triangular cooperation, a relatively new phenomenon,[1] shows significant promise for enriching the content and dynamics of South/South cooperation by enabling the developed countries, along with non-traditional development cooperation partners, notably non-governmental organizations and the private sector, to participate in the TCDC process. In addition to Japan - which remains the largest contributor to triangular cooperation, given its voluntary donation to the Fund for South/South Cooperation under the Japanese Human Resources Development Fund - the growing number of other donor countries - among them, Austria, Finland, France, Ireland, Germany and Norway - suggests an increasing realization of the value that this arrangement can bring to traditional technical cooperation.

18. The challenge facing the developing countries, the developed countries and, indeed, the multilateral organizations, especially the Special Unit for TCDC, is to demonstrate the complementarity of triangulation to traditional technical cooperation; systematically document and share with one another and with all other interested countries the experience of successful TCDC triangular arrangements; develop a methodology for documenting such successful experiences; and identify and develop specific "project packages" in high-impact development cooperation areas that can attract triangular funding from donor countries.

E. Building partnerships for TCDC

19. Another major thrust of the new directions strategy is building broad-based partnerships to foster South/South cooperation in general and the TCDC modality in particular, because such partnerships appear to enhance the sustainability and the substance of development efforts. There is ample evidence of concerted undertakings of multiple actors: United Nations organizations and other intergovernmental organizations, non-governmental organizations, and centres of excellence in both developing and developed countries.[1]

20. A number of partnership initiatives among these diverse actors suggests that developing countries can be better served by the adoption of a "theme" approach that specifies the roles and responsibilities of the different partners under common objectives. A case in point is the partnership programme on trade and globalization, involving the South Centre, the Third World Network (TWN) and the Special Unit. In this partnership, the South Centre provides detailed analysis of issues pertaining to the World Trade Organization (WTO) process, which has led to the publication of a monograph on the WTO multilateral trade agenda and the South. The TWN conducts orientations and briefings to the Geneva-based southern negotiators on WTO-related subject-specific issues on a continuing basis. For its part, the Special Unit provides thorough analysis of the multifaceted aspects of globalization through its semi-annual journal Cooperation South. This theme-oriented division of labour gives developing countries the kinds of information they need for a coherent and better coordinated approach to policy-making on issues vital to their active participation in economic globalization.

21. Another promising trend in partnership-building is optimal use of comparative strength among the different partners. One case in point here is a joint initiative to document "best practices" sponsored by the Special Unit in which the Food and Agriculture Organization of the United Nations (FAO) will document best practices in agriculture and food security; the Malaysia-based TWN, in environment; the Third World Network of Scientific Organizations (TWNSO), in science and technology; and the International Development Research Centre (IDRC) in Canada, in poverty eradication. At the time of this report, more than 100 of the targeted 250 best practices had been documented. They will be published in monograph forms and also incorporated into TCDC-INRES for worldwide dissemination and possible replication in interested developing countries. These successes notwithstanding, progress in forging partnerships with the private sector was less evident during the reporting period.

F. Integration of the TCDC and ECDC modalities

22. Strengthening the operational linkages between TCDC and ECDC in support of wider economic cooperation schemes among developing countries, both regionally and interregionally, is also a central aspect of the new directions strategy. During the reporting period, UNDP supported the Group of 77 in the High-level Conference on South/South Economic Cooperation among Economic Groupings, held in Bali in December 1998. The initiative brought together policy makers from the 133 member countries of the Group of 77 and a large number of regional economic groupings, as well as relevant United Nations bodies, including the regional commissions. The extensive policy and substantive exchanges that took place on such issues as regional and subregional trade arrangements, "growth triangles" and special economic and free-trade zones led to the adoption of the Bali Declaration and a Plan of Action on this urgent, complex subject. In reaching consensus at the Conference, the South took a significant step towards its goal of increased regional and subregional economic cooperation and integration.

23. In response to decision 10/2 of the High-level Committee, and to General Assembly resolution 52/205 of 18 December 1997, the Special Unit prepared the report of the Secretary-General on strengthening the integration of economic and

technical cooperation among developing countries in the operational activities of the United Nations system. These recommendations offer a baseline for improved integration and coordination. Their full implementation poses an urgent challenge to all organizations and agencies, including the regional commissions, for a collective effort to develop common indicators of measuring progress and results in implementing the proposals of the Secretary-General.

G. Sharing of information and experiences

24. Another major thrust of the new directions strategy is the need to increase sharing of information and successful and innovative development experiences among developing countries so as to avoid duplication of effort. Many solutions to common problems have already been developed elsewhere in the South. An increasing number of the organizations and agencies of the United Nations system have been pooling their resources and competencies to support South/South networks aimed at enhancing information flows and the sharing of development experiences.[1] Areas of network creation include the Asia Pacific Health Network of the World Health Organization (WHO); the Global Trade Point Network of the UNCTAD; the Regional Network on Safe Pesticide Production and Information for Asia and the Pacific of UNIDO; and the Sustainable Development Network of Small Island Developing States of UNDP.

25. Additionally, the creation of national TCDC websites, initially in 30 countries, and the link-up of these websites with an expanded TCDC-INRES contribute to enhancing the global gateway for developing countries to access and exchange information and best practices. Other noteworthy advances in this regard are a variety of sector-specific data systems in many of the organizations and agencies of the United Nations system.

IV. OBSERVATIONS AND CONCLUSIONS

26. In view of the accelerating shifts that have taken place during the past two decades in the global order and among countries and international institutions, both economic and political, the viability and attractiveness of South/South cooperation as an overall development mode appears more compelling today than ever before. Among the various configurations of South/South cooperation, the evidence gathered for this report provides incontestable proof that the specific modality of technical cooperation among developing countries (TCDC) has not only remained in widespread use but has continued to grow in popularity and application among developing country partners. Moreover, the growth of TCDC can be measured not only through the number and range of TCDC-related projects completed or ongoing but also by the spread of new TCDC configurations, including a sharp increase in country-to-country bilateral TCDC projects, the recent phenomenon of donor country involvement in triangular funding schemes, and the proliferation of partnerships among intergovernmental organizations, non-governmental organizations and other players within the multilateral system. Given the demonstrated acceleration in TCDC activities registered within the past four years, the fine-tuning of the TCDC modality through the new directions strategy, put in place four years ago, appears to

have had a positive impact on the usefulness and applicability of the TCDC methodology.

27. As the application of the TCDC modality continues to grow, the programmes themselves appear to have undergone a steady evolution from the single, country-by-country interventions of the early days of TCDC towards more broad-based applications on a multiple-country and sometimes regional basis. In the case of TCDC programmes initiated or coordinated by the Special Unit or by other bodies of the United Nations system, the involvement of multiple players in single TCDC interventions, which has now become common practice, would seem to indicate that the system is successfully adopting the mandate set out in the new directions strategy - i.e., that TCDC activities should be designed to have the maximum impact on a large number of developing countries. In the case of TCDC activities outside the system - i.e., projects that are initiated, funded and executed in a spontaneous manner between bilateral partners - a parallel increase in the number of participating or beneficiary countries appears to reflect directly the steady improvement of the technical capabilities and funding resources of a growing number of developing countries willing to share their experiences with others.

28. The data drawn from successive biennial reports to the High-level Committee on the implementation of the Buenos Aires Plan indicate a steady increase in the number of developing country member States reporting that suitable domestic conditions exist for the management and operationalization of TCDC programmes. The evaluation of national responses to the questionnaires of the Special Unit has revealed during every reporting period that the effective operation of TCDC - indeed, of any form of development cooperation activity - depends on the development of three fundamental conditions by national Governments. These are:

(a) The designation of an effective domestic focal point mechanism within the appropriate governmental ministry or department to act as organizer and coordinator of TCDC programmes and opportunities;

(b) The elucidation of a clear national policy setting out the methods and approaches for providing - or receiving - technical assistance from other developing countries;

(c) A basic approach to funding TCDC activities, whether through specific budgetary allocations or, in the case of the more impoverished countries, through channels equipped to receive funding provided by bilateral partners or through the multilateral system. Information for the current reporting period points to two trends. On the one hand, there has been a steady upswing in the number of developing countries that have made these institutional changes. This growth mirrors and supports the system recommended by the new directions strategy of designating "pivotal countries", in recognition of superior performance and leadership potential as TCDC actors. On the other hand, in a number of developing countries, particularly the least developed, where improvements in governance institutions could lead to the elaboration of appropriate policy and support for enhanced use of the TCDC modality, the Special Unit, with the collaboration of the countries concerned, will continue to provide advice and support. It remains up to the individual countries to decide whether they wish, or are able, to absorb this assistance. Further

efforts to assist the least developed countries to establish the necessary systems of governance could also be made by other developing countries on a cooperative bilateral basis.

29. Among the most heartening trends to emerge during the current reporting period is the emergence of developed countries as third-party, or triangular, donors within the TCDC process. As the data indicate, no fewer than six donor countries - led by Japan - have emerged during the past two years to play a role in a variety of TCDC projects. By keeping an arms-length relationship with the projects - thus ensuring that they remain true examples of South/South technical cooperation - these donor countries have demonstrated a genuine commitment to TCDC as a viable, effective and efficient mode of intercountry transfers of skills and technology. The importance of this development cannot be overstated, since endorsement of the South/South cooperation mode by partners from northern countries could represent a significant breakthrough in funding and in increased stature and legitimacy for TCDC in the years to come.

Notes

[1] See TCDC/11/1.